



# Department of Justice



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**BANK OF AMERICA AGREES TO PAY \$137.3 MILLION IN RESTITUTION TO  
FEDERAL AND STATE AGENCIES AS A CONDITION OF THE JUSTICE  
DEPARTMENT'S ANTITRUST CORPORATE LENIENCY PROGRAM**

WASHINGTON – Bank of America entities have agreed to pay a total of \$137.3 million in restitution to federal and state agencies for its participation in a conspiracy to rig bids in the municipal bond derivatives market and as a condition of its admission into the Department of Justice's Antitrust Corporate Leniency Program, the Department of Justice announced today.

Bank of America entered into agreements with the U.S. Securities and Exchange Commission (SEC), the Internal Revenue Service (IRS), the Office of the Comptroller of Currency (OCC), and 20 State Attorneys General. The global resolution with these federal and state entities provides for payment of restitution to the IRS and to municipalities harmed by Bank of America's anticompetitive conduct in the municipal bond derivatives market. In a related matter, Bank of America entered into a written agreement with the Federal Reserve Board to address certain remedial measures.

According to agreements announced today, Bank of America employees engaged in illegal conduct, including bid rigging and other deceptive practices, in connection with the marketing and sale of tax-exempt municipal bond derivatives contracts.

Bank of America was the first and only entity to come forward and report its wrongdoing to the Department of Justice before the department opened its investigation into anticompetitive conduct in the municipal bond derivatives industry. The department's ongoing investigation has resulted in charges against seven executives and one corporate entity and guilty pleas by eight executives for antitrust and related federal crimes. The investigation remains active and ongoing.

"The Department of Justice's Antitrust Corporate Leniency Program is essential to our criminal enforcement of the antitrust laws," said Christine Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division. "Bank of America's disclosure of wrongdoing and cooperation has led to an aggressive, ongoing investigation by the Department of Justice into anticompetitive activity in the municipal bond derivatives industry. The bank's participation in the leniency program has also resulted in today's resolution to address the harm caused by its wrongdoing. The Division's investigation of this matter continues and the prosecution of anticompetitive conduct in the financial markets remains our highest priority."

As a condition of its admission into the Department of Justice's Antitrust Corporate Leniency Program, Bank of America was required to be the first entity to self report the anticompetitive conduct, acknowledge its wrongdoing, provide ongoing cooperation in the

investigation and make full restitution to the victims of the conspiracy. Bank of America continues to provide significant cooperation to the federal and state enforcement officials in their ongoing parallel investigations in the municipal bond derivatives industry.

The Department of Justice's Antitrust Corporate Leniency Program is designed to deter and detect anticompetitive behavior. Through the Leniency Program, a corporation can avoid criminal conviction and fines, and individuals can avoid criminal conviction, prison terms and fines, if the corporation or individual is the first to report participation in a criminal antitrust violation and if other specified requirements of the program are met. The requirements of the program include self-reporting, acknowledgment of wrongdoing, full cooperation with the department's investigation into the conduct, and payment of restitution to victims. The requirements provide the division with critical information to conduct investigations and enforce the criminal antitrust laws.

With the agreements announced today, Bank of America has met its obligation, under the Leniency Program, to pay full restitution to the IRS and municipalities based on anticompetitive conduct identified by these federal and state agencies. The bank's agreements with the SEC, IRS, OCC and State Attorneys General represent the substantial benefits for victims that can result from the Department of Justice's Antitrust Corporate Leniency Program, and reflect Bank of America's commitment to address the harm caused by the conduct it discovered.

As a result of its voluntary disclosure of its anticompetitive conduct and its ongoing cooperation, Bank of America will not be required to pay penalties as a part of the agreements reached today. Upon successful completion of cooperation and other requirements of the Leniency Program, Bank of America and its current employees who have cooperated with the ongoing investigation will not be prosecuted by the Antitrust Division for the reported conduct. The Antitrust Division's investigation regarding other entities and individuals continues.

More information about the Department of Justice's Antitrust Corporate Leniency Program is available at: [www.justice.gov/atr/public/criminal/leniency.htm](http://www.justice.gov/atr/public/criminal/leniency.htm).

The Antitrust Division and other agencies involved in this matter are part of the Financial Fraud Enforcement Task Force. President Obama established the interagency Financial Fraud Enforcement Task Force to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. The task force includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes. For more information on the task force, visit [www.StopFraud.gov](http://www.StopFraud.gov).

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